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EXAMINER
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LIVERSEDGE, JENNIFER L

ART UNIT	PAPER NUMBER
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3692

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

09/810,945

**Applicant(s)**

GOELLER ET AL.

**Examiner**

Jennifer Liversedge

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 16 May 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1,3,4,6-10,12,14-18,20,22,24-31 and 33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,3,4,6-10,12,14-18,20,22,24-31 and 33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                     | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Response to Amendment***

This Office Action is responsive to Applicant's amendment and request for continued examination of Application 09/810,945 filed on May 16, 2006.

The amendment contains original claims: 3-4, 6-8, 10, 12, 14-16, 18, 22, 24-25.

The amendment contains currently amended claims: 1, 9, 31.

The amendment contains previously presented claims: 17, 20, 26-30, 33.

Claims 2, 5, 11, 13, 19, 21, 23 and 32 have been canceled.

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 5/16/2007 has been entered.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1, 3, 20, 31 and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent Number 6,647,376 B1 to Farrar et al (further referred to as Farrar), and further in view of U.S. Patent Number 5,679,940 to Templeton et al. (further referred to as Templeton).

Regarding claim 1, Farrar discloses a point-of-sale (POS) check service system (column 1, lines 16) comprising:

device means for receiving checking account information from a paper check of a customer (column 1, lines 48 – 50), and for receiving an amount concerning a sale to the customer (column 4, lines 7 – 11), the checking account information and amount being collectively transaction information (column 4, lines 9 – 15), and the paper check not being used as a negotiable instrument and being returned to the customer (column 5, lines 11 – 13 and lines 49 – 52);

a host computer arranged to receive the transaction information from the device means and to forward it into the POS check service system (column 6, lines 49 - 54; Figure 1 item 108);

a switch computer arranged to receive the transaction information from the host computer and to further route the transaction information (column 6, lines 52 – 59; Figure 1 item 110);

a drawee bank which receives the transaction information from the switch computer, said paper check being provided to said customer by said drawee bank and a checking account corresponding to said checking account information being maintained at said drawee bank (column 6, lines 64 – 67; Figure 1 item 112);

a drawee computer of drawee bank that receives transaction information and is arranged to perform conversion, verification and guarantee based upon transaction information (column 1, lines 44 – 67 and column 2, lines 1 – 5), the drawee computer further arranged to return a response message to the host computer indicating the result of the conversion, verification or guarantee (column 5, lines 49 – 52 and column 7, lines 12 – 15); and

a telecommunications network used for communications between the host computer, the switch computer, and the drawee computer (column 6, lines 49 – 67) that provides online, real-time communications between computers (column 1, lines 51 – 54; column 9, lines 27 – 31 and lines 65 – 67).

Farrar does not explicitly disclose where the drawee computer is further arranged to receive said checking account information in the form of raw MICR data and to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at a drawee bank and not at device means. However, Templeton discloses where the authorizing computer is

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further arranged to receive said checking account information in the form of raw MICR data and to parse said checking account information to obtain a transit routing number and an account number of the customer (column 12, lines 28-35 and lines 59-60; column 15, lines 9-22; column 23, line 27 – column 24, line 31; column 25, lines 54-67; column 27, lines 32-39; column 32, lines 7-16; column 33, lines 5-25).

It would be obvious to one of ordinary skill in the art to modify the POS check verification system as disclosed by Farrar to adapt the sending of raw MICR data for parsing as disclosed by Templeton. The motivation would be that the authorizing agent should receive raw data such that nothing is lost or incorrectly interpreted in translation. The drawee bank is the authorizing agent in Farrar issued and maintains the account and is being used to verify the check, there is not a need to parse the data prior to receipt at the verifier and the merchant needs only collect the information from the check and send it to the drawee bank for verification.

Regarding claim 3, Farrar discloses a device means which includes a magnetic ink character recognition (MICR) device through which the paper check is swiped (column 2, lines 10 – 11; column 6, lines 44 – 47) and a merchant point-of-sale terminal into which the amount may be entered (column 4, lines 7 – 12).

Regarding claim 20, Farrar discloses a method of processing a paper check transaction occurring at a point of sale, a monetary amount originating at the point of sale and paper check providing checking account information comprising:

receiving a service request message from point of sale (column 4, lines 7 – 15) and a paper check providing checking account information (column 1, lines 48 – 51) comprising receiving a service request message from the point of sale (column 2, lines 17 – 20), service request message including checking account information, monetary amount (column 1, lines 48 – 51 and column 4, lines 7 – 12) and a request for a type of check service (column 2, lines 17 – 21);

determining whether a portion of the checking account information matches with one of a plurality of banks (column 4, lines 15 – 18);

determining whether the request for a type of check service matches with a service provided by one of the banks (column 4, lines 24 – 27, lines 54 – 66; column 6, lines 64 – 67);

determining where to route service request message (column 4, lines 24 – 27 and column 21, lines 11 – 13);

sending service request message to an authorizing institution that is equipped to handle the request for a type of check service (column 4, lines 54 – 55; column 6, lines 64 – 67; column 21, lines 11 – 13);

receiving a response message to the service request message from the authorizing institution (column 7, lines 12 – 15; column 9, lines 23 – 27);

sending the response message to the point of sale indicating the result of the request for a type of check service (column 4, lines 54 – 55; column 5, lines 11 – 12 and 48 – 51; column 7, lines 12 – 15; column 9, lines 23 – 27), whereby said paper check is

not used as a negotiable instrument and is returned to the customer (column 5, lines 12 – 13 and lines 50 – 52); and

performing steps of receiving and sending over a telecommunications network (column 6, lines 49 – 67) that provides that provides online, real-time communications between computers (column 1, lines 51 – 54; column 9, lines 27 – 31 and lines 65 – 67).

Farrar does not explicitly disclose where the checking account information is received in raw MICR data format from said point of sale and is sent to said authorizing institution in order to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at an authorizing institution and not at point of sale. However, Templeton discloses where the checking account information is received in raw MICR data format from said point of sale and is sent to said authorizing institution in order to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at an authorizing institution and not at point of sale (column 12, lines 28-35 and lines 59-60; column 15, lines 9-22; column 23, line 27 – column 24, line 31; column 25, lines 54-67; column 27, lines 32-39; column 32, lines 7-16; column 33, lines 5-25).

It would be obvious to one of ordinary skill in the art to modify the POS check verification system as disclosed by Farrar to adapt the sending of raw MICR data to the authorizing institution for parsing as disclosed by Templeton. The motivation would be that as the authorizing institution is being used to verify the check, there is not a need to



parse the data prior to receipt at the verifier and the merchant needs only collect the information from the check and send it to the authorizing institution for verification.

Regarding claim 31, Farrar discloses a point-of-sale check service system (column 1, lines 16) comprising:

device means for receiving checking account information from a paper check of a customer (column 1, lines 48 – 50), and for receiving an amount concerning a sale to the customer (column 4, lines 7 – 11), the checking account information and amount being collectively transaction information (column 4, lines 9 – 15), and the paper check not being used as a negotiable instrument and being returned to the customer (column 5, lines 11 – 13 and lines 49 – 52);

a host computer arranged to receive the transaction information from the device means and to forward it into the POS check service system (column 6, lines 49 - 54; Figure 1 item 108);

a switch computer arranged to receive the transaction information from the host computer and to further route the transaction information (column 6, lines 52 – 59; Figure 1 item 110);

a drawee bank which receives the transaction information from the switch computer, said paper check being provided to said customer by said drawee bank and a checking account corresponding to said checking account information being maintained at said drawee bank (column 6, lines 64 – 67; Figure 1 item 112);

a drawee computer of the drawee bank that receives transaction information and is capable of performing conversion with verification based upon transaction information (column 1, lines 44 – 67 and column 2, lines 1 – 5), the drawee computer further arranged to return a response message to the host computer indicating the result of the conversion with verification (column 5, lines 49 – 52 and column 7, lines 12 – 15);

a telecommunications network used for communications between host computer, switch computer and drawee computer (column 6, lines 49 – 67) that provides that provides online, real-time communications between computers (column 1, lines 51 – 54; column 9, lines 27 – 31 and lines 65 – 67).

Farrar does not explicitly disclose where the drawee computer is further arranged to receive said checking account information in the form of raw MICR data and to parse said checking account information to obtain a transit routing number and an account number of the customer. However, Templeton discloses where the authorizing computer is further arranged to receive said checking account information in the form of raw MICR data and to parse said checking account information to obtain a transit routing number and an account number of the customer (column 12, lines 28-35 and lines 59-60; column 15, lines 9-22; column 23, line 27 – column 24, line 31; column 25, lines 54-67; column 27, lines 32-39; column 32, lines 7-16; column 33, lines 5-25).

It would be obvious to one of ordinary skill in the art to modify the POS check verification system as disclosed by Farrar to adapt the sending of raw MICR data for parsing as disclosed by Templeton. The motivation would be that the authorizing agent should receive raw data such that nothing is lost or incorrectly interpreted in translation.

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The drawee bank is the authorizing agent in Farrar issued and maintains the account and is being used to verify the check, there is not a need to parse the data prior to receipt at the verifier and the merchant needs only collect the information from the check and send it to the drawee bank for verification.

Regarding claim 33, Farrar discloses a customer bank account from which the paper check of the customer is drawn upon, wherein the drawee computer can access the customer bank account in order to perform conversion with verification (column 5, lines 1 – 10 and column 9, lines 18 – 32).

Claims 4, 6, 7, 17, 18, 22, 24, 26, 27, 28, 29 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar and Templeton, and further in view of ECHO Announces the Completion of the Acquisition of Magic Software Development Inc. by Business Wire, New York, April 29, 1999 (further referred to as Business Wire).

Regarding claims 4 and 22, neither Farrar nor Templeton teach conversion only. However, Business Wire discloses a drawee computer arranged to perform conversion only, conversion with verification or conversion with guarantee based upon transaction information (page 2, lines 10 - 13).

It would be obvious to one of ordinary skill in the art that if a service provider were going to provide conversion with verification or conversion with guarantee based upon transaction information as disclosed by Farrar and Templeton, that the company

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would inherently be performing conversion as the first step in that process as proposed by Business Wire and could very well provide conversion only services as well. The motivation would be to provide services to merchants in which the steps involved were already being taken as part of more complex operations.

Regarding claim 6, Farrar discloses a service request message delivered to a switch computer that includes transaction information (column 2, lines 18 – 23). Neither Farrar nor Templeton disclose indicating conversion only, conversion with verification or conversion with guarantee based upon transaction information as Farrar and Templeton do not disclose conversion only, teaching conversion with verification or conversion with guarantee. However, Business Wire discloses conversion only, conversion with verification or conversion with guarantee based upon transaction information (page 2, lines 10 - 13).

It would be obvious to one of ordinary skill in the art to combine the transaction information for conversion only as taught by Business Wire with the transaction information for conversion with verification or conversion with guarantee as taught by Farrar and Templeton. The motivation would be to communicate transaction information for steps involved with a more simple operation that were already being taken as part of more complex operations.

Regarding claims 7 and 24, Farrar does not teach wherein service request message includes a settlement code indicating how settlement will occur, thereby

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accommodating any customer bank and any type of service request. However, Templeton teaches wherein service request message includes a settlement code indicating how settlement will occur, thereby accommodating any customer bank and any type of service request (column 12, line 66 – column 13, line 17). It would be obvious to one of ordinary skill in the art to use the electronic transmittal of the settlement information as disclosed by Templeton with the electronic check processing transaction information as disclosed by Farrar. The motivation would be to use available fields of information to disclose in one transaction the means of settlement in addition to the other relevant transaction information being supplied between merchant and bank.

Regarding claim 17, Farrar discloses a method of performing a transaction at a point of sale comprising:

- a step of performing the function of receiving checking account information from a paper check of a customer (column 1, lines 48 – 50);

- entering an amount of the transaction into a terminal (column 4, lines 7 – 11);

- assembling a service request message that includes checking account information and amount (column 4, lines 9 – 15);

- sending the service request message to a switch computer arranged to receive and to further route the service request message (column 6, lines 49 - 54; Figure 1 item 108; column 6, lines 52 – 59; Figure 1 item 110);

returning paper check to customer, paper check not being used as a negotiable instrument (column 5, lines 11 – 13 and lines 49 – 52); and

performing steps of sending and receiving over a telecommunications network (column 6, lines 49 – 67) that provides online, real-time communications while said customer waits at point of sale for said response message (column 1, lines 51 – 54; column 9, lines 27 – 31 and lines 65 – 67).

Farrar does not explicitly disclose where the checking account information is received in raw MICR data format from point of sale and is sent to an authorizing institution in order to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at an authorizing institution and not point of sale. However, Templeton discloses where the checking account information is received in raw MICR data format from point of sale and is sent to an authorizing institution in order to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at an authorizing institution and not point of sale (column 12, lines 28-35 and lines 59-60; column 15, lines 9-22; column 23, line 27 – column 24, line 31; column 25, lines 54-67; column 27, lines 32-39; column 32, lines 7-16; column 33, lines 5-25).

It would be obvious to one of ordinary skill in the art to modify the POS check verification system as disclosed by Farrar to adapt the sending of raw MICR data for parsing as disclosed by Templeton. The motivation would be that the authorizing agent should receive raw data such that nothing is lost or incorrectly interpreted in translation.

The drawee bank is the authorizing agent in Farrar issued and maintains the account and is being used to verify the check, there is not a need to parse the data prior to receipt at the verifier and the merchant needs only collect the information from the check and send it to the drawee bank for verification.

Neither Farrar nor Templeton disclose assembling, sending and receiving a message which requests conversion only, conversion with verification, or conversion with guarantee. However, given the combination of Farrar and Templeton and Business Wire as described previously, it would be obvious that the service request message could include a message of conversion only as disclosed by Business Wire as part of the check transaction system as disclosed by Farrar and Templeton.

Regarding claim 18, Farrar discloses a method wherein step for performing the function of receiving includes swiping a paper check of a customer through a device to obtain raw magnetic ink character recognition (MICR) information from the check (column 2, lines 10 – 11; column 6, lines 44 – 47).

Regarding claim 26, Farrar discloses a customer bank account from which the paper check of the customer is drawn upon, wherein the drawee computer can access the customer bank account in order to perform verification and guarantee (column 1, lines 45 – 47 and column 5, lines 1 – 10). Neither Farrar nor Templeton disclose performing conversion only. However, Business Wire discloses performing conversion only (page 2, lines 10 - 13). It would be obvious to one of ordinary skill in the art to

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combine the transaction information for conversion only as taught by Business Wire with the transaction information for conversion with verification or conversion with guarantee as taught by Farrar and Templeton. The motivation would be to communicate transaction information for steps involved with a more simple operation that were already being taken as part of more complex operations.

Regarding claim 27, Farrar discloses a method wherein a switch computer routes a service request message to a drawee bank (column 6, lines 55 – 67), the drawee bank maintaining a customer bank account from which the paper check of the customer is drawn upon (column 5, lines 1 – 10).

Regarding claim 28, Farrar discloses accessing the customer bank account, by the drawee bank, in order to perform conversion operations including conversion with verification and conversion with guarantee (column 1, lines 45 – 47 and column 5, lines 1 – 10). Neither Farrar nor Templeton disclose performing conversion only. However, Business Wire discloses performing conversion only (page 2, lines 10 - 13). It would be obvious to one of ordinary skill in the art to combine the transaction information for conversion only as taught by Business Wire with the transaction information for conversion with verification or conversion with guarantee as taught by Farrar and Templeton. The motivation would be to communicate transaction information for steps involved with a more simple operation that were already being taken as part of more complex operations.



Regarding claim 29, Farrar discloses wherein drawee bank further accesses the customer bank account in order to verify that the bank account is valid (column 9, lines 20 – 23).

Regarding claim 30, Farrar discloses wherein drawee bank further accesses the customer bank account in order to verify that the customer bank account contains an amount of money that is equal to or greater than the amount of the transaction entered into the terminal (column 9, lines 44 – 47).

Claim 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar, Templeton and Business Wire as applied to claim 6 above, and further in view of U.S. Patent Number 5,703,344 to Bezy et al. (further referred to as Bezy). Neither Farrar, Templeton nor Business Wire disclose a service request message including a unique transaction identifier that ties together related transactions in a transaction set. However, Bezy discloses a service request message including a unique transaction identifier (record) that ties together related transactions in a transaction set (column 5, lines 48 – 52).

It would be obvious to one of ordinary skill in the art to use the transaction identifier (record) as a means to identify a transaction and tie together related transaction as disclosed by Bezy with the electronic check processing transaction information as disclosed by Farrar, Templeton and Business Wire. The motivation

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would be to ensure related transaction were linked for efficiency in processing and handling.

Claims 9 and 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar in view of Bezy and further in view of Templeton.

Regarding claim 9, Farrar does not disclose a point-of-transaction check service. However, Bezy discloses a point of transaction check service (column 1, lines 5 – 8). It would be obvious to one of ordinary skill in the art to combine the point-of-transaction check service as disclosed by Bezy with the point-of-sale check service as disclosed by Farrar because a point-of-sale is a detailed example of a point-of-transaction. A sale is a transaction and therefore the motivation would be to include various forms of transactions, such as a sales point.

Given the combination of Farrar and Bezy, the same reasoning applies to the remaining section and dependent claims of claim 9 where a sale is analogous to a transaction and where Farrar discloses a device means for receiving checking account information from a paper check of a customer (column 1, lines 48 – 50), and for receiving an amount representing a monetary transaction which is to be deposited into a depositing account (column 1, lines 15 – 21), the checking account information, amount, and depositing account being collectively transaction information (column 3, line 63 to column 4, line 4 and column 4, lines 9 – 15), and the paper check not being used as a negotiable instrument and being returned to the customer (column 5, lines 11 – 13 and

lines 49 – 52); a host computer arranged to receive the transaction information from the device means and to forward it into the point-of-transaction check service system (column 6, lines 49 - 54; Figure 1 item 108); a switch computer arranged to receive the transaction information from the host computer and to further route the transaction information (column 6, lines 52 – 59; Figure 1 item 110); a drawee bank which receives the transaction information from the switch computer (column 6, lines 64 – 67; Figure 1 item 112) the drawee bank maintaining a customer bank account identified by said checking account information from which the paper check of the individual is drawn upon (column 5, lines 1 – 10 and column 9, lines 18 – 22); a drawee computer of the drawee bank that receives transaction information and is arranged to perform conversion, verification or guarantee based upon transaction information (column 1, lines 44 – 67 and column 2, lines 1 – 5), the drawee computer further arranged to return a response message to the host computer indicating the result of the conversion, verification or guarantee (column 5, lines 49 – 52 and column 7, lines 12 – 15); and a telecommunications network used for communications between the host computer, the switch computer, and the drawee computer (column 6, lines 49 – 67) that provides online, real-time communications between computers (column 1, lines 51 – 54; column 9, lines 27 – 31 and lines 65 – 67).

Neither Farrar nor Bezy explicitly disclose where the drawee computer is further arranged to receive said checking account information unparsed and to parse said checking account information to obtain a transit routing number and an account number of the customer. However, Templeton discloses where the authorizing computer is

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further arranged to receive said checking account information unparsed and to parse said checking account information to obtain a transit routing number and an account number of the customer (column 12, lines 28-35 and lines 59-60; column 15, lines 9-22; column 23, line 27 – column 24, line 31; column 25, lines 54-67; column 27, lines 32-39; column 32, lines 7-16; column 33, lines 5-25).

It would be obvious to one of ordinary skill in the art to modify the POS check verification system as disclosed by Farrar and Bezy to adapt the sending of unparsed (raw MICR data) to the authorizing bank for parsing as disclosed by Templeton. The motivation would be that the authorizing agent should receive raw data such that nothing is lost or incorrectly interpreted in translation. The drawee bank is the authorizing agent in Farrar issued and maintains the account and is being used to verify the check, there is not a need to parse the data prior to receipt at the verifier and the merchant needs only collect the information from the check and send it to the drawee bank for verification.

Regarding claim 10, Farrar discloses a financial institution holding the deposit account, to which an amount is deposited depending upon the result of the conversion, verification, or guarantee (column 3, line 63 to column 4, line 4).

Claims 12, 14, 15 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar, Bezy and Templeton, and further in view of Business Wire.

Regarding claim 12, neither Farrar, Bezy nor Templeton teach conversion only. However, Business Wire discloses a drawee computer arranged to perform conversion only, conversion with verification or conversion with guarantee based upon transaction information (page 2, lines 10 - 13). It would be obvious to one of ordinary skill in the art that if a service provider were going to provide conversion with verification or conversion with guarantee based upon transaction information as disclosed by Farrar, Bezy and Templeton, that the company would inherently be performing conversion as the first step in that process as proposed by Business Wire and could very well provide conversion only services as well. The motivation would be to provide services to merchants in which the steps involved were already being taken as part of more complex operations.

Regarding claim 14, Farrar discloses a service request message delivered to a switch computer that includes transaction information (column 2, lines 18 – 23). Neither Farrar, Bezy nor Templeton disclose indicating conversion only, conversion with verification or conversion with guarantee based upon transaction information as neither Farrar, Bezy nor Templeton disclose conversion only, both teaching conversion with verification or conversion with guarantee. However, Business Wire discloses conversion only, conversion with verification or conversion with guarantee based upon transaction information (page 2, lines 10 - 13).

It would be obvious to one of ordinary skill in the art to combine the transaction information for conversion only as taught by Business Wire with the transaction

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information for conversion with verification or conversion with guarantee as taught by Farrar, Bezy and Templeton. The motivation would be to communicate transaction information for steps involved with a more simple operation that were already being taken as part of more complex operations.

Regarding claim 15, neither Farrar nor Bezy teach wherein service request message includes a settlement code indicating how settlement will occur, thereby accommodating any customer bank and any type of service request. However, Templeton teaches wherein service request message includes a settlement code indicating how settlement will occur, thereby accommodating any customer bank and any type of service request (column 12, line 66 – column 13, line 17). It would be obvious to one of ordinary skill in the art to use the electronic transmittal of the settlement information as disclosed by Templeton with the electronic check processing transaction information as disclosed by Farrar and Bezy. The motivation would be to use available fields of information to disclose in one transaction the means of settlement in addition to the other relevant transaction information being supplied between merchant and bank.

Regarding claim 16, Farrar does not disclose wherein a service request message includes a unique transaction identifier (record) that ties together related transactions in a transaction set. However, Bezy discloses a service request message includes a unique transaction identifier (record) that ties together related transactions in a

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transaction set (column 5, lines 48 – 52). It would be obvious to one of ordinary skill in the art to use the transaction identifier (record) as a means to identify a transaction and tie together related transaction as disclosed by Bezy with the electronic check processing transaction information as disclosed by Farrar. The motivation would be to ensure related transaction were linked for efficiency in processing and handling.

Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over Farrar and Templeton, and further in view of Bezy. Neither Farrar nor Templeton disclose a service request message including a unique transaction identifier that ties together related transactions in a transaction set. However, Bezy discloses a service request message including a unique transaction identifier (record) that ties together related transactions in a transaction set (column 5, lines 48 – 52). It would be obvious to one of ordinary skill in the art to use the transaction identifier (record) as a means to identify a transaction and tie together related transaction as disclosed by Bezy with the electronic check processing transaction information as disclosed by Farrar and Templeton. The motivation would be to ensure related transaction were linked for efficiency in processing and handling.

### ***Response to Arguments***

Applicant has argued that Templeton “does not describe, teach or suggest that MICR data are parsed at a drawee bank”. Applicant further argues that Farrar does not

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"give any indication, let alone explicitly describe or teach, that MICR data read from a reader are not parsed until being received at a drawee bank".

Examiner respectfully disagrees on both accounts.

Beginning with the primary reference, Farrar provides an indication that the MICR data read from a reader are not parsed until being received at a drawee bank. For example, in column 4, lines 22-43, Farrar discloses where transaction information is transmitted from a merchant processor to the financial institution upon which the check was written wherein the financial institution can perform verification and authorization of the check and provide such a determination to the merchant. The indication is that data is sent from a merchant to the financial institution upon which the check was written and there is no indication that the data is parsed prior to that sending. Farrar discloses no reasons or subsequent steps for using any data, it is simply sent to the financial institution upon which the check was written for their use, which if they are going to verify the account and determine if funds are available within the account, the data is being parsed at that point in order for such a determination to be made.

Similar disclosures are found throughout Farrar. For example, column 8, line 57 – column 9, line 20; column 14, line 11 – column 15, line 2; and in column 16, lines 20-67 where it is shown again shows where MICR data is scanned in at a point of sale, and then transmitted to the bank on which the check was written such that the bank can determine whether to authorize the transaction, where column 16, lines 58-62 discloses specifically that the MICR information is used for account access by the bank upon which the check was written. There is no indication that the MICR data is parsed prior



to being sent to the bank, and the bank would have to parse the MICR data in order determine the account and make an authorization.

However, recognizing that while Farrar gives every indication that MICR data is parsed at the bank or financial institution on which the check is drawn, but does not explicitly state so, the claims with this language were rejected under 35 USC § 103 under Farrar and further in view of Templeton et al. Templeton provides for check authorization from a merchant or other point of sale terminal where a MICR reader is used to obtain data from a check. Templeton further discloses where the merchant terminal communicates with the authorization host computer and transmits a transaction packet, where the transaction packet specifically contains raw check data (column 23, line 27 – column 24, line 27) and subsequently where the host computer's front end processor translates the packet into its constituent data for the authorization host computer (column 27, lines 32-40).

The combination of Farrar and Templeton is proper as Templeton discloses a check acceptance system where raw MICR data is sent to the authorizing agent without parsing of the data, where parsing occurs at the authorizing agent. Farrar discloses a check acceptance system where MICR data is sent to an authorizing agent, wherein the authorizing agent is the drawee bank. It would be both obvious and proper to combine Farrar and Templeton as sending MICR data to authorizing agents and to drawee banks are both old and well known.

***Conclusion***

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

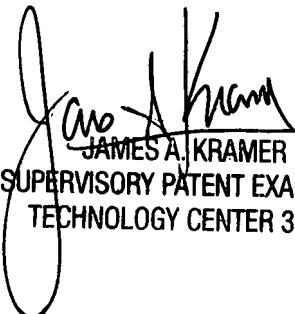
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached at 571-272-6779. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

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8/4/07